



MEMORANDUM

To: PLANNING COMMISSION

Date: September 12, 2006

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: EA 06-25: Ojo De Agua Redevelopment Project Amendment – City of Morgan Hill: Draft Program Environmental Impact Report (EIR) for the Ojo de Agua Redevelopment Project Amendment

REQUEST

Open public hearing and comment on Draft Program EIR.

RECOMMENDATION

Environmental Assessment: Program EIR

Application: N/A

Processing Deadline: N/A

BACKGROUND

The Morgan Hill Redevelopment Agency (the “Agency”) is presently in the process of amending the Ojo de Agua Redevelopment Plan (the “Plan” or “Project Area”) to detach territory where blight is no longer prevalent, and to improve the Plan’s financial capacity. The Agency is also considering re-authorizing eminent domain authority for non-residential properties along Monterey Road and the downtown area.

As part of the amendment, the Agency is preparing a program environmental impact report for the proposed amendment. Such documents are generally necessary for major amendments to existing redevelopment plans.

A Notice of Preparation was circulated between June 5th and July 6, 2006. Additionally, the Planning Commission held a meeting to solicit comments on the proposed scope of the Program EIR on June 13, 2006. Although not legally required by the California Environmental Quality Act (CEQA), this meeting is being held in an effort to maximize the opportunity for comment by Planning Commissioners, as well as the public.

The Draft Program EIR, as well as the Preliminary Report was made available to Planning Commissioners on August 30, 2006.

PROJECT DESCRIPTION

The Ojo de Agua Redevelopment Project Amendment (“Plan Amendment” or “Project”) proposes to amend the 1999 Community Development Plan of the Ojo de Agua Project, originally adopted June 30, 1981. This proposed Plan Amendment has been initiated by the Agency to accomplish the following actions:

1. Increase the tax increment limit by a conservative amount;
2. Focus on projects needed for economic revitalization, rehabilitation, and infrastructure improvements, particularly in the Downtown area;
3. Re-authorize bonding authority, (i.e. allow for issuance of Tax Allocation Bonds), and increase the bonded indebtedness limit to fund major projects;
4. Repeal the time limit for incurring debt;
5. Re-establish eminent domain authority only on certain commercial corridors for non-residential property;
6. Update the list of potential public improvements, projects and programs that may be pursued to address remaining blight;
7. Make technical changes to the Redevelopment Plan to insure its on-going conformity to the California Community Redevelopment Law; and,
8. Detach approximately 492 acres of territory (Detachment Area) from the existing 2,747-acre Redevelopment Plan Project Area (Project Area).

These actions are intended to facilitate the continued removal of blight in the Amended Project Area.

CASE ANALYSIS

Redevelopment plans are very long-range programs aimed at reducing or eliminating conditions of physical and economic blight in an area where they are found to prevail. Because of their long-range character, redevelopment plans are usually very general and programmatic in nature. As such, their impacts are evaluated on a long-term programmatic basis, with subsequent environmental analysis necessary to detail the impacts of specific projects. This process is known as “tiering” under the CEQA Guidelines. This particular Program EIR is tiered off the City of Morgan Hill’s General Plan Master EIR, which was certified in July 2001. Tiering is appropriate when the sequence of analysis is from an EIR prepared for a General Plan, to an EIR such as this Program EIR, which is a program of lesser scope. The next tier of environmental analysis will be for site-specific projects, which will occur at the time a project is proposed and will contain a more specific level of detail, reflective of the specificity that is available once implementation projects are identified and described.

While the Plan Amendment includes an update of a portion of the Redevelopment Plan, which provides information within the Redevelopment Plan about types of public improvements, projects and programs the Agency may pursue in furtherance of its goal to alleviate blighting conditions in the Amended Project Area, the Agency has not identified and is not proposing specific projects at

this time. The Redevelopment Plan provides that any future projects or activities must be consistent with the *City of Morgan Hill General Plan*, and therefore this EIR reflects the reasonably foreseeable level of growth and development in the Amended Project Area that has been anticipated by the City's 2001 General Plan and evaluated in the July 2001 General Plan Master EIR. As the focus of this EIR is analysis of potential environmental effects of amending the Agency's "toolbox", and not analysis of specific projects, it is anticipated that future projects would be further tiered off of the General Plan Master EIR and this Program EIR, and those projects will be subject to new CEQA review.

This EIR presents information, largely based on the 2001 General Plan Master EIR, about anticipated impacts and necessary mitigation measures that result from reasonable forecasts of growth and development in accordance with the City's 2001 General Plan. In particular, the EIR examines the following potential impact areas:

- Land Use, Population and Housing
- Traffic
- Public Services
- Utilities
- Air Quality
- Cultural Resources
- Noise

Pursuant to CEQA Guidelines Section 15152(f)(1) regarding use of Tiering, the Program EIR summarizes significant effects that had been identified in the "first tier" GP Master EIR, but where that first tier EIR has already adequately addressed and mitigated a significant impact, that effect is not treated as significant for purposes of this later EIR. This Program EIR limits its analysis to potentially significant effects that were not adequately addressed in the prior GP Master EIR.

No significant impacts were identified under *Land Use, Population and Housing*, or under *Public Services*, under either the General Plan Master EIR or this Redevelopment Plan Amendment Program EIR.

Under the areas of *Utilities* and *Cultural Resources*, the Program EIR identifies the impacts and mitigation measures that had been identified by the General Plan Master EIR, but the Program EIR concludes that the GP MEIR mitigation measures are being carried out by the City of Morgan Hill on a citywide basis, and it is not necessary to require these measures for adoption of the Redevelopment Plan Amendment, which is consistent with the General Plan. Growth and development of the Amended Project Area was anticipated by the General Plan and evaluated in the GP MEIR, therefore the city's activities which are implementing the *Utilities* and *Cultural Resources* mitigation measures for projects and activities are achieving compliance.

Under the area of *Traffic*, the Program EIR identifies mitigation measures which will reduce potentially significant impacts to less than significant levels.

Traffic Impact #1: The Program EIR acknowledges that a South County Circulation Study is currently being conducted, which will identify needed regional transportation improvements,

including significant local improvements, and may recommend a regional transportation impact fee to ensure that Highway 101 widening and other regional improvements are constructed in a timely manner. The EIR recommends that the RDA support efforts to improve regional transportation facilities so that regional traffic impacts are not significant.

Traffic Impact #2: The Program EIR also identifies a “timing of construction” factor that could affect levels of service at affected intersections within or near the Project Area. If planned street improvements are not constructed at times that are appropriate to accommodate growth and development, then there could be periods during which levels of service fall below city standards. To the extent that implementation of the Amended Redevelopment Plan results in accelerating the pace of growth and development in the Project Area and/or City, the potential that needed road improvements will not yet be constructed increases.

In order to address these two identified *Traffic* impacts, the Program EIR recommends the following mitigation measures to reduce potentially significant impacts to less than significant levels.

Traffic Mitigation Measure #1: The Redevelopment Agency shall be supportive of mechanisms that would establish a regional approach to ensuring that development projects are required to fund appropriate fair shares of the cost of improvements to mitigate traffic impacts on regional transportation facilities.

Traffic Mitigation Measure #2: Approximately every 5 years, prior to adoption of the Agency’s Implementation Plan, the Agency shall participate in and fund (if funding is needed) completion of a city-wide Transportation Impact Analysis in order to provide information appropriate for updates to the City’s and Agency’s schedule for funding and implementing transportation improvements. The Agency shall assist, as feasible, with funding improvements within the Project Area or of primary benefit to the Project Area, so that improvements are completed in a timely manner that accommodates growth and development.

Under the area of *Noise*, the GP MEIR determined that the General Plan policies and actions would themselves mitigate potential noise impacts for future development, with the exception of the following impact:

Noise Impact #1: Development adjacent to the Union Pacific Railroad would expose vibration-sensitive receptors to excessive ground-borne vibration.

This Program EIR recommends that this GP MEIR *Noise* Measure be imposed on the Redevelopment Plan Amendment Project.

Noise Mitigation Measure #1: When project-specific applications are made for buildings to be located within 100 feet of the railroad tracks, vibration studies shall be conducted during environmental review. Mitigations such as building setbacks or other vibration reduction treatments should be incorporated into the project design.

Under the area of *Air Quality*, the GP MEIR found that, although the population projections were within ABAG and regional plan projections, Vehicle Miles Traveled (VMT) was expected to increase faster than population, due to an expected increase in regional traffic traveling through Morgan Hill. Therefore, the following *Air Quality* impact was determined to be an unavoidable significant impact:

Air Impact #1: During the planning period for the proposed General Plan Update, the rate of increase in VMT for Morgan Hill would be greater than the rate of increase in population. Implementation of all TCMs included in the Clean Air Plan could reduce this impact, but not to a less-than-significant level.

This was an impact previously identified in the General Plan EIR which is being carried through to this Program EIR on the Redevelopment Plan Amendment, and the impact remains significant and unavoidable.

CEQA requires that a Draft EIR be circulated for 45-days. The circulation period for this Draft EIR is August 21st through October 5th. Responses to comments on the Draft EIR that are received during the review period will be prepared and included in the Final Environmental Impact Report (FEIR). It is anticipated that the Planning Commission will consider a recommendation to the Redevelopment Agency regarding certification of the FEIR, as well as a determination of the Draft Amended Redevelopment Plan's consistency with the General Plan, on October 24, 2006.

RECOMMENDATION

Review and comment on the Draft Program EIR.